



Office of Management & Budget

Morgan Routt,
Director

Office of Management & Budget

- Budget Development
- Monitoring & Adjustments
- Management & Financial Analysis

City Budget Includes

- Annual Operating Budget
- Ten Year Capital Improvement Program
- Five Year Financial Planning Model

Annual Operating Budget

- Required to be Balanced
- Financial Plan
- Statement of Policies & Priorities

Capital Improvement Program (CIP)

- Construction, Maintenance & IT Projects
- Examples
 - Schools
 - Fire Stations
 - Recreation Centers
 - Transportation Systems
 - Sewers
- One Year Balanced Capital Budget
- Ten Year Capital Plan

Five Year Financial Planning Model

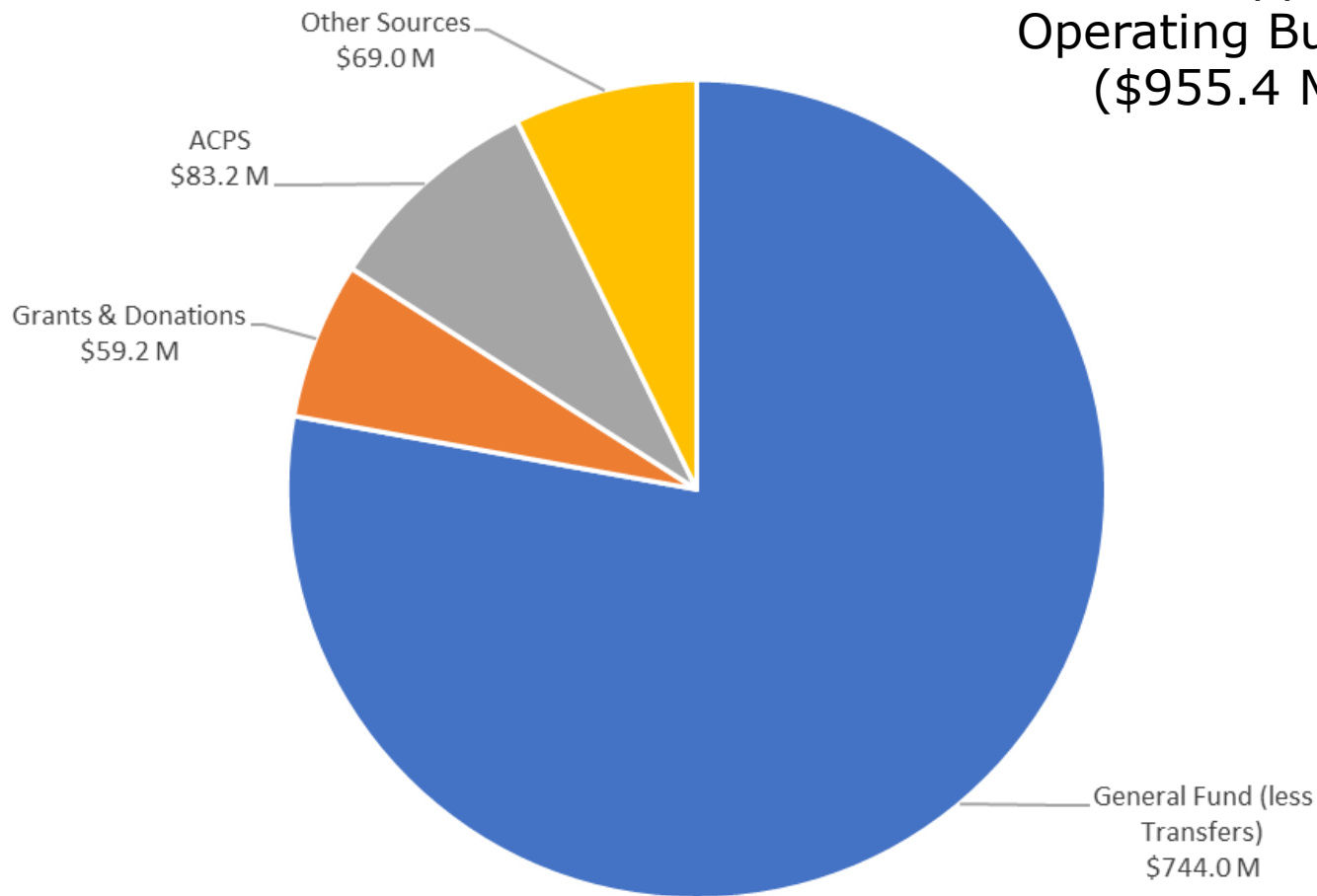
- Five Year Revenue & Expenditure Estimates
- Balanced in Year One
- Projection of Future Surpluses & Shortfalls

Budget Process

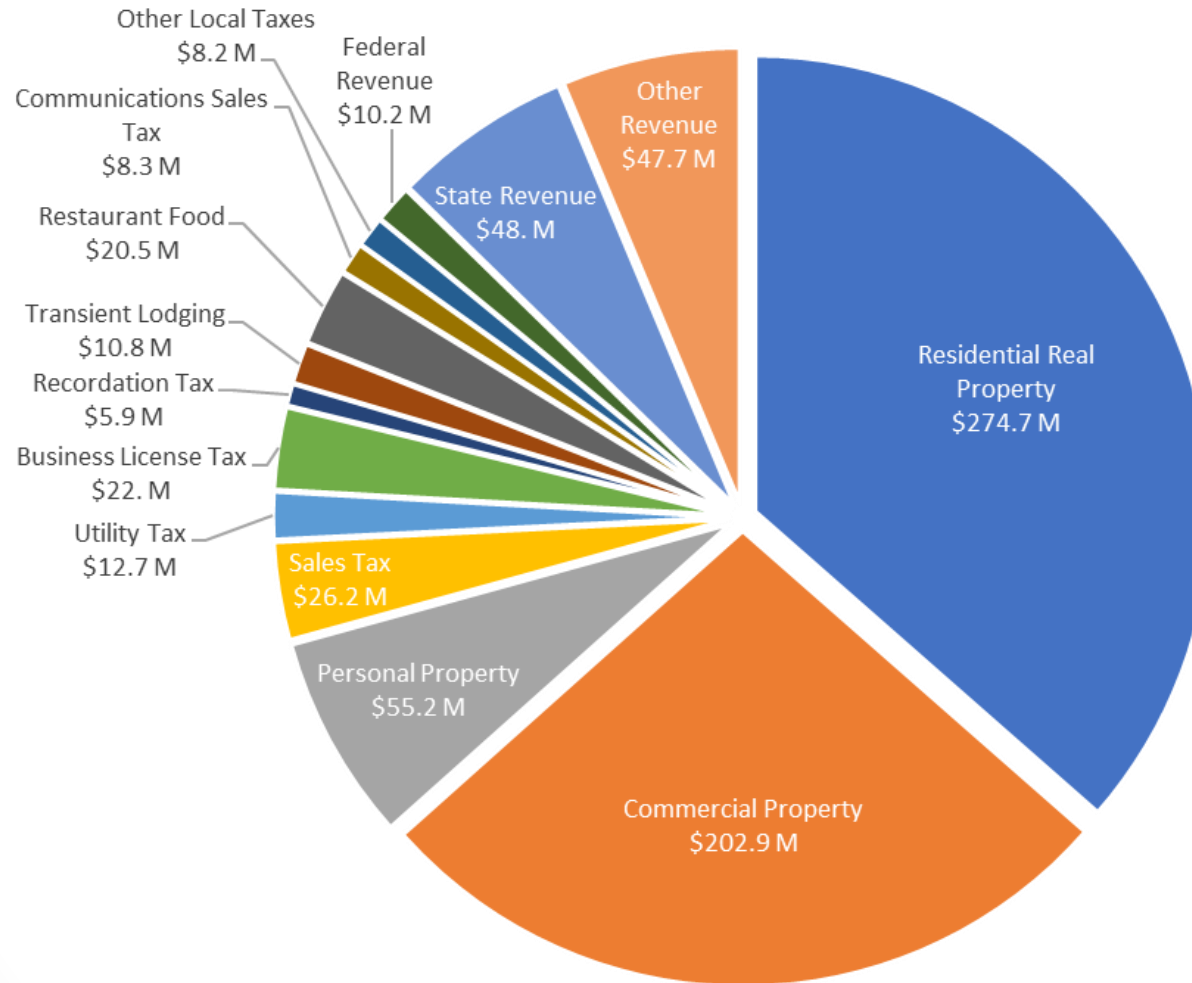


Annual Operating Budget

FY 2021 Approved
Operating Budget
(\$955.4 M)

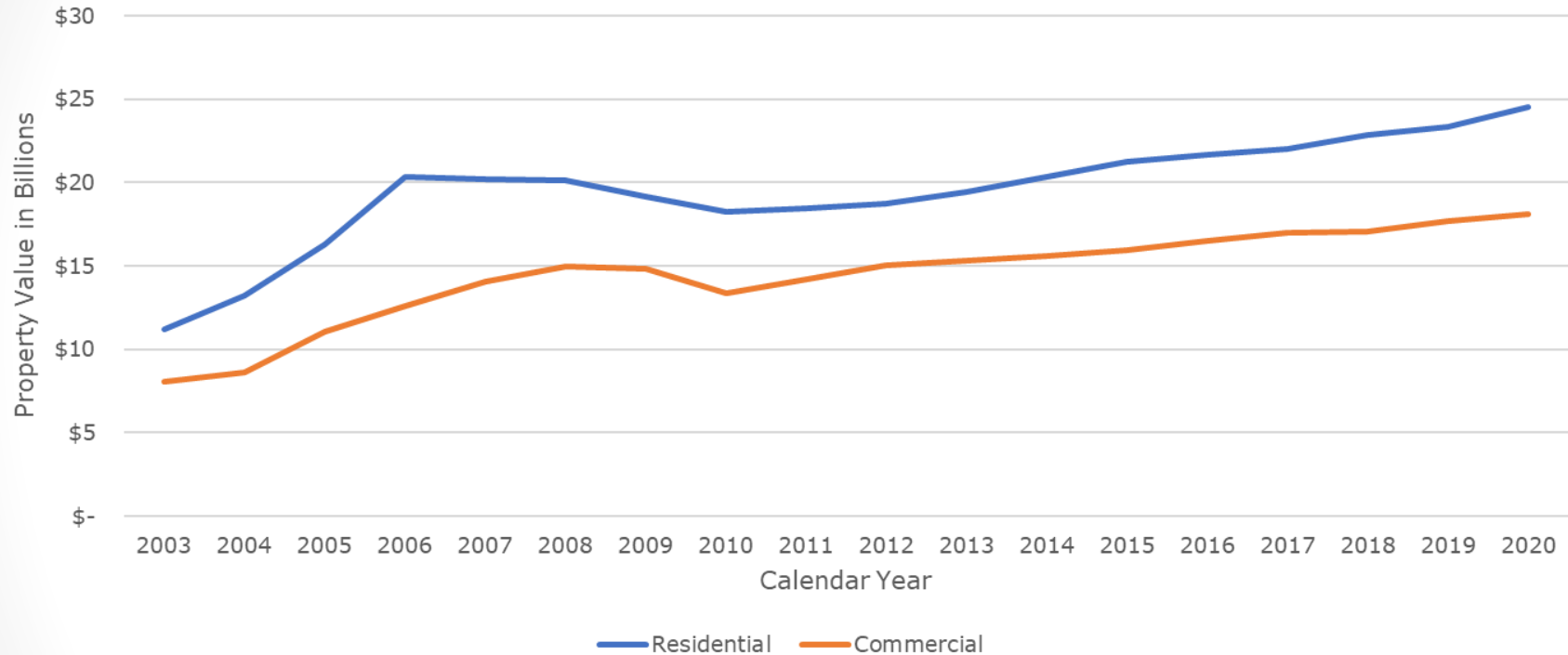


General Fund Revenue





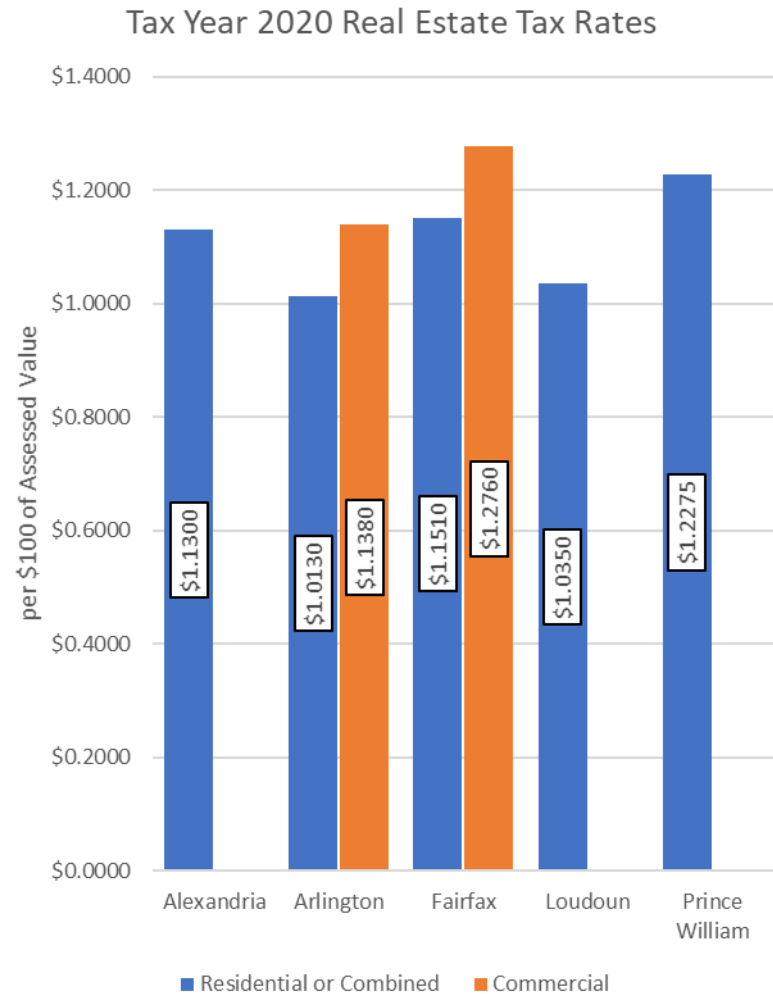
Real Estate Assessed Values





Real Estate Tax Rate

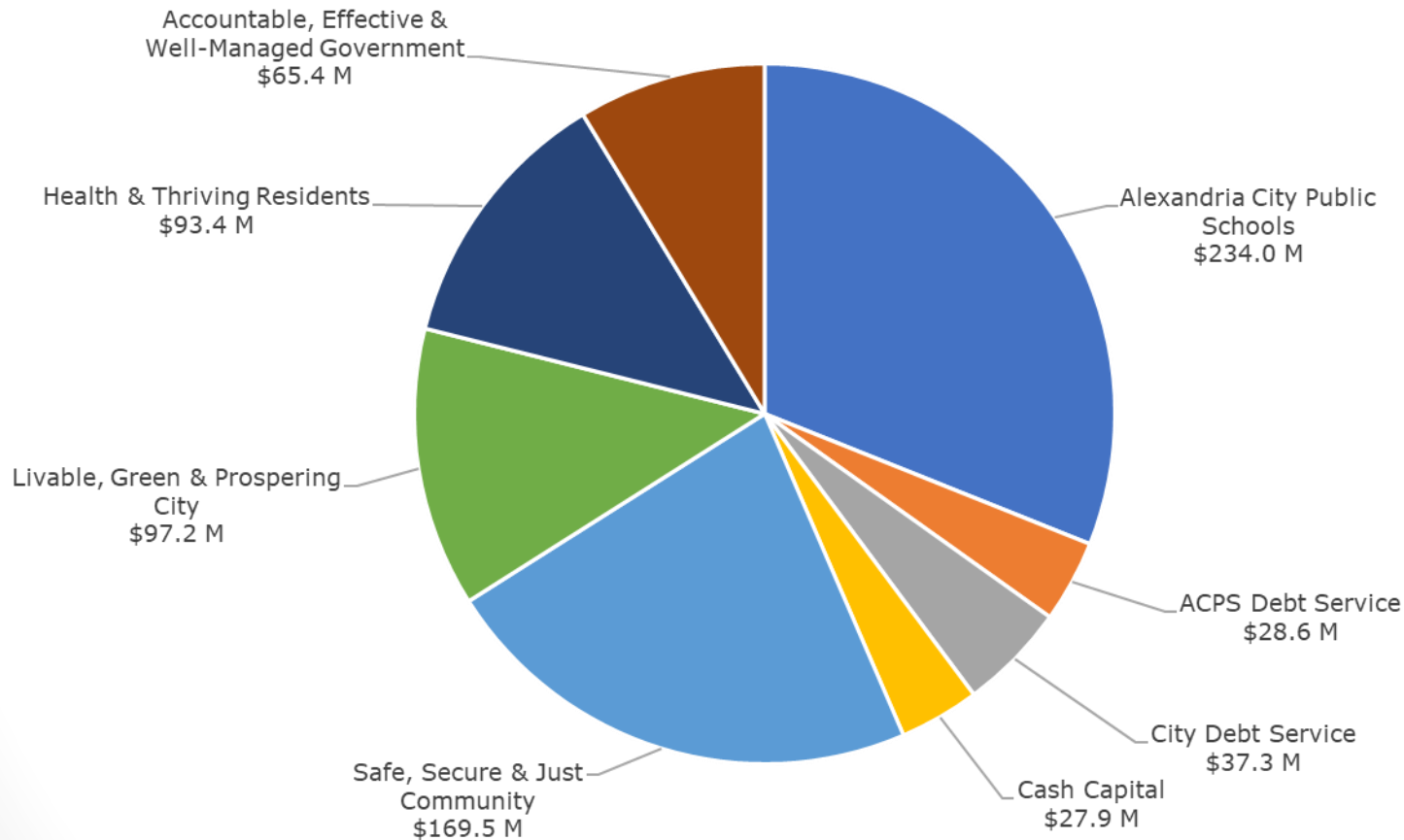
Tax Year	Alexandria	Arlington	Fairfax ¹	Loudoun ¹	Pr. William ¹
1979	1.44	1.12	1.64	1.19	5.25
1980	1.39	1.12	1.54	1.25	5.25
1981	1.37/1.35	0.96	1.51	1.02	1.40
1982	1.37	0.98	1.47	1.13	1.45
1983	1.41	0.99	1.47	1.13	1.42
1984	1.41	0.97	1.46	1.10	1.39
1985	1.39	0.95	1.39	1.13	1.42
1986	1.38/1.37	0.94	1.35	1.02	1.42
1987	1.34	0.92	1.32	0.88	1.30
1988	1.25	0.89	1.30	0.95	1.38
1989	1.10	0.78	1.19	0.88	1.38
1990	1.045	0.765	1.11	0.85	1.36
1991	1.045	0.765	1.11	0.94	1.36
1992	1.045	0.82	1.16	0.96	1.36
1993	1.07	0.86	1.16	1.00	1.36
1994	1.07	0.897	1.16	1.02	1.36
1995	1.07	0.94	1.16	0.99	1.36
1996	1.07	0.96	1.23	1.03	1.36
1997	1.07	0.986	1.23	1.06	1.36
1998	1.11	0.998	1.23	1.11	1.36
1999	1.11	0.998	1.23	1.11	1.36
2000	1.11	1.023	1.23	1.08	1.34
2001	1.11	1.023	1.23	1.08	1.31
2002	1.08	0.993	1.21	1.05	1.23
2003	1.035	0.978	1.16	1.11	1.16
2004	0.995	0.958	1.13	1.11	1.07
2005	0.915	0.878	1.00	1.04	0.974
2006	0.815	0.818	0.89	0.89	0.8071
2007	0.830	0.818	0.89	0.96	0.8379
		<u>Res/Comm</u> ³	<u>Res/Comm</u> ³		
2008	0.845	0.848/0.973	0.92/1.03	1.14	0.97
2009	0.903	0.875/1.00	1.05/1.16	1.245	1.288
2010	0.978	.958/1.083	1.121/1.231	1.30	1.3146
2011	0.998	.958/1.083	1.101/1.211	1.285	1.2806
2012	0.998	0.971/1.096	1.111/1.221	1.235	1.2859
2013	1.038	1.006/1.131	1.106/1.231	1.205	1.2562
2014	1.043	.996/1.121	1.114/1.239	1.155	1.2212
2015	1.043	.996/1.121	1.116/1.241	1.135	1.1936
2016	1.073	.991/1.116	1.159/1.284	1.145	1.1950
2017	1.130	1.006/1.131	1.161/1.286	1.125	1.2067
2018	1.130	1.006/1.131	1.151/1.276	1.085	1.2075
2019	1.130	1.013/1.138	1.151/1.276	1.045	1.2075
2020	1.130	1.013/1.138 ⁴	1.151/1.276 ⁵	1.035	1.2275



General Fund Expenditures



FY 2021 Approved General Fund Expenditures



Focus Areas



City Attorney
City Clerk and Clerk of Council
City Council
City Manager
Communications/Public Information
Finance
General Services
Human Resources
Information Technology Services
Internal Audit
Performance and Accountability
Non-Departmental
Management and Budget
Registrar of Voters

ACCOUNTABLE, EFFECTIVE & WELL-MANAGED GOVERNMENT

Community and Human Services
Health
Other Health Activities
Library
Recreation, Parks, and Cultural Activities (RPCA)
Alexandria City Public Schools (ACPS)

HEALTHY & THRIVING RESIDENTS

LIVABLE, GREEN & PROSPERING CITY

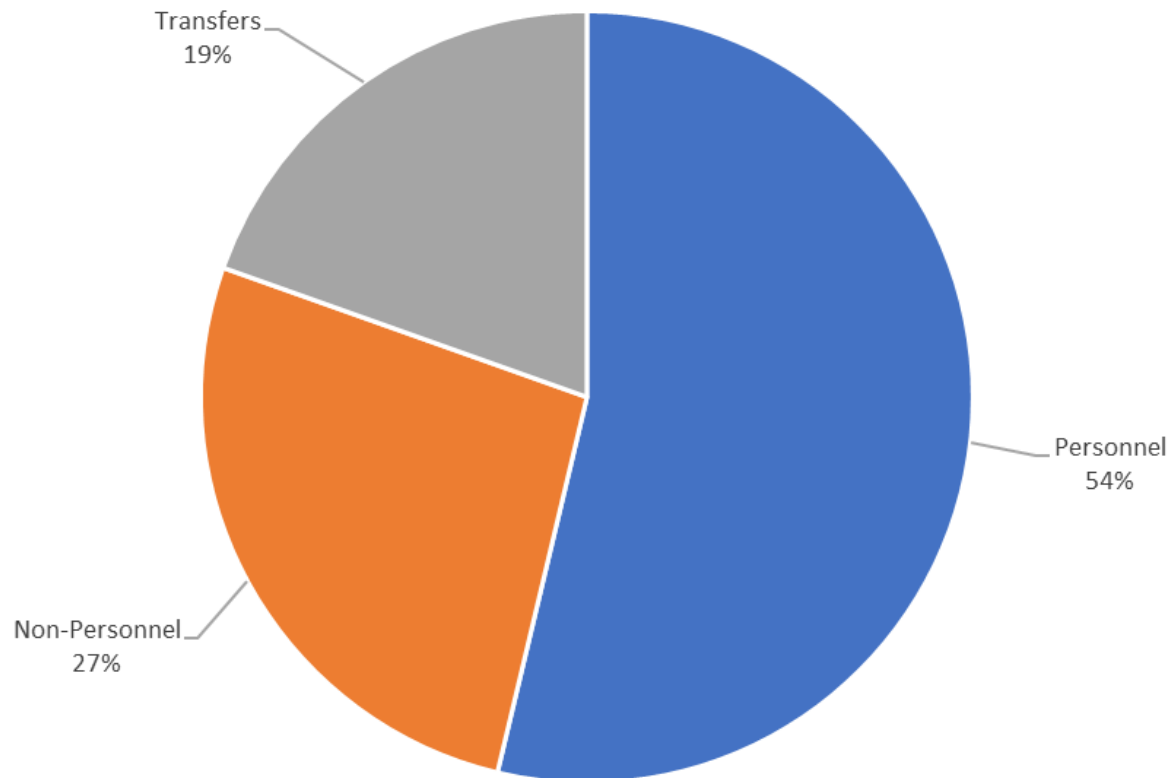
Code Administration
Economic Development
Housing
Historic Alexandria
Planning & Zoning
Project Implementation
Transportation/Environmental Services
Transit Subsidies

SAFE, SECURE & JUST COMMUNITY

18th Circuit Court
18th General District Court
Clerk of Circuit Court
Commonwealth's Attorney
Court Services Unit
Emergency Communications
Fire
Human Rights
Juvenile and Domestic Relations District Court
Other Public Safety and Justice Programs
Police
Sheriff

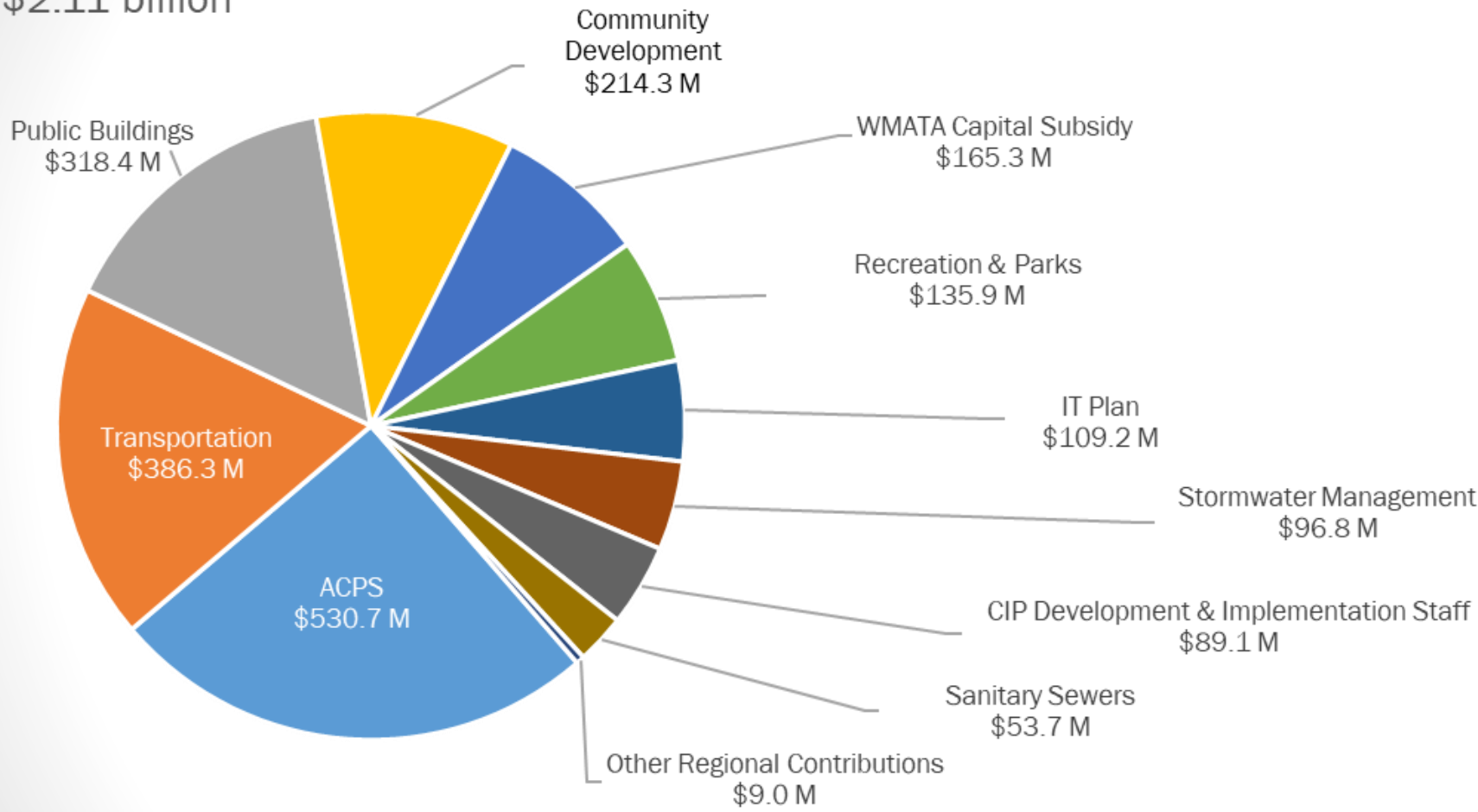
City Government Expenditures

FY 2021 Approved City Government General Fund Expenditures



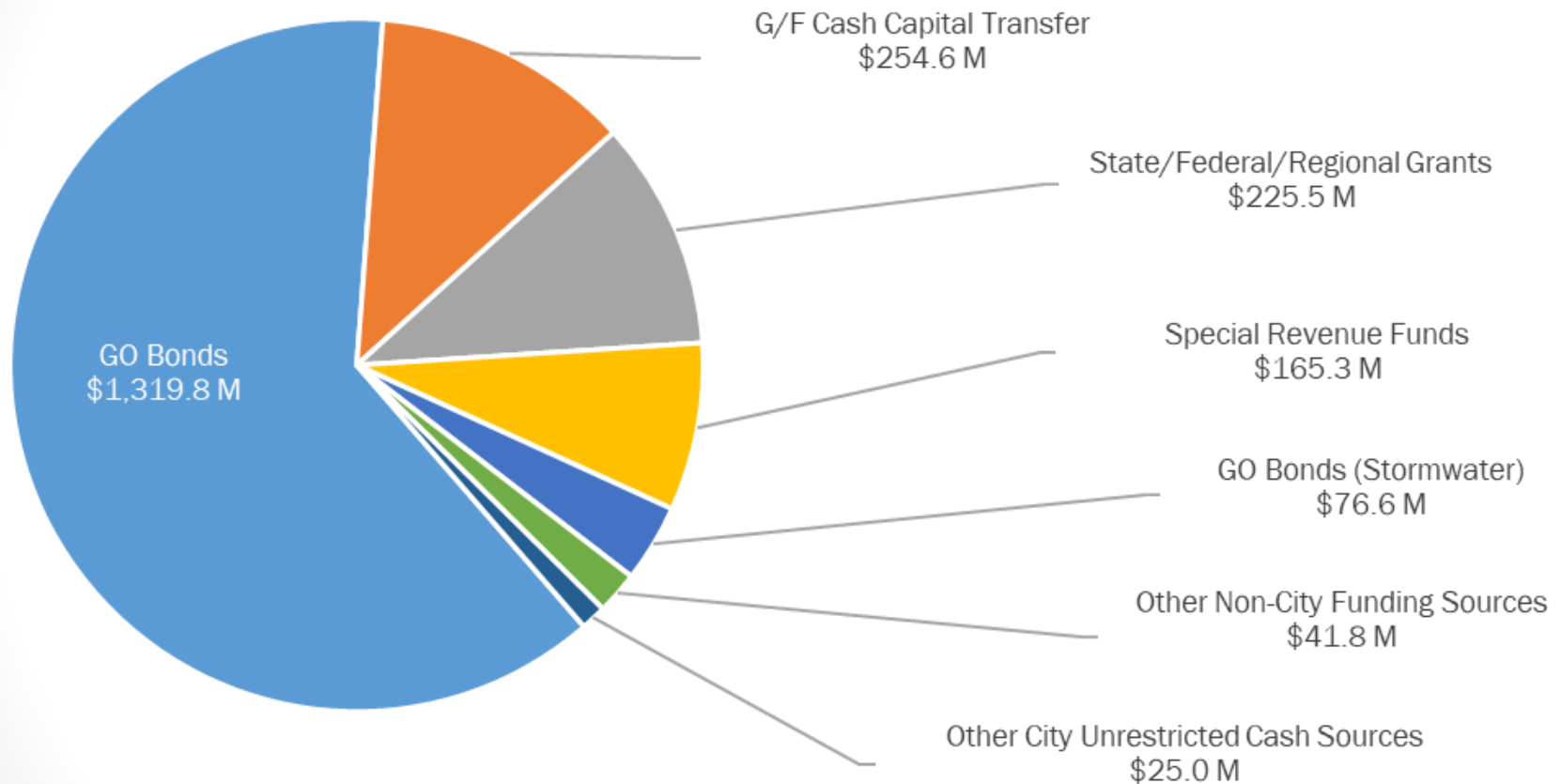
FY 2021 - FY 2030 CIP Expenditures

\$2.11 billion



FY 2021 - FY 2030 CIP Revenues

\$2.11 billion



CIP Funding Policies

- The following slides illustrate the impact of the Approved CIP on the City's Adopted Debt and Capital Ratios

Debt Ratio	Previous Ratios			City Council Adopted Changes		
	Target	Limit	Exemptions	Target	Limit	Exemptions
Debt as a Percentage of Fair Market Real Property Value	1.10%	1.60%	Sanitary Sewer Debt	Set by CIP	2.50%	Sanitary Sewer & Stormwater Debt
Debt as a Percentage of Total Personal Income	3.20%	4.50%	Sanitary Sewer Debt	DELETED AS A MEASURE		
Debt Service as a Percentage of General Government Expenditures	8.00%	10.00%	Sanitary Sewer Debt	Set by CIP	12.00%	Sanitary Sewer & Stormwater Debt
10-Year Debt Payout Ratio	NOT A PRIOR MEASURE			65.00%	50.00%	Debt Issuances Specific to Assets with a 20+ year Useful Life



Five Year Financial Planning Model

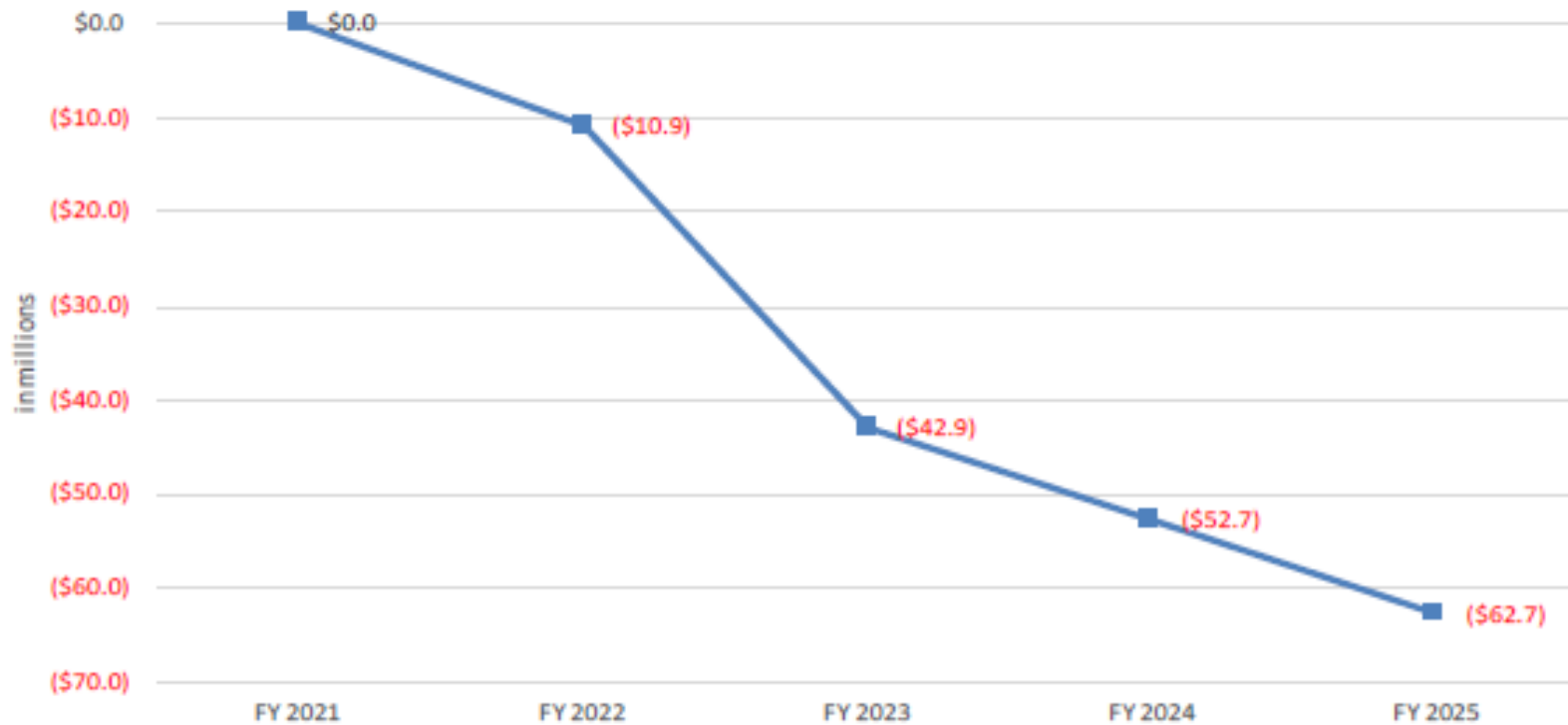
Revenues	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Real Estate Tax	477,554,000	493,659,717	512,264,483	522,509,773	542,044,296
Personal Property	55,231,000	56,865,838	58,549,066	60,282,119	62,066,469
Sales Tax	26,194,000	26,969,342	28,787,034	29,639,130	30,516,448
Utility Tax	12,700,000	12,700,000	12,700,000	12,700,000	12,700,000
Business License Tax	22,000,000	22,404,800	36,883,865	37,787,519	38,713,313
Recordation Tax	5,900,000	5,900,000	5,900,000	5,900,000	5,900,000
Transient Lodging	10,833,000	11,089,742	11,440,178	13,286,140	13,705,982
Restaurant Food	20,500,000	20,832,100	21,282,073	24,518,348	25,047,944
Communication Sales Tax	8,275,000	7,862,078	7,469,760	7,097,019	6,742,878
Other Local Taxes	8,209,090	8,264,912	8,321,113	8,377,697	8,434,665
Federal Revenue	10,234,303	7,894,000	7,894,000	7,894,000	7,894,000
State Revenue	48,001,386	48,491,000	48,985,608	49,485,262	49,990,011
Other Revenue	47,644,368	49,311,921	51,037,838	52,824,162	54,673,008
Total Revenue	753,276,147	772,245,450	811,515,019	832,301,168	858,429,014

Expenditures	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
City Personnel	228,904,844	235,226,974	241,824,777	248,715,431	255,917,419
City Non-Personnel	158,767,354	164,563,333	172,537,355	180,993,171	186,787,760
City Debt Service	37,288,070	39,522,064	59,838,252	71,776,415	78,225,196
Schools Debt Service	28,578,698	29,724,328	42,992,489	49,378,086	51,720,537
Cash Capital	27,317,835	30,000,000	36,848,300	22,440,000	22,205,500
Transit Subsidies	38,382,049	39,343,835	40,334,752	41,355,876	42,408,333
Schools	234,037,296	243,234,962	252,794,096	262,728,904	273,054,150
Total Expenditures	753,276,147	781,615,496	847,170,020	877,387,882	910,318,894
Operating Impact from CIP		1,541,300	7,244,700	7,585,600	10,852,500
Total Expenditures	753,276,147	783,156,796	854,414,720	884,973,482	921,171,394

Shortfall/Surplus	\$ (Millions)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Revenues		\$753.3	\$772.2	\$811.5	\$832.3	\$858.4
Expenditures		\$753.3	\$783.2	\$854.4	\$885.0	\$921.2
Annual Deficit		\$0.0	(\$10.9)	(\$42.9)	(\$52.7)	(\$62.7)

Five Year Financial Planning Model

Forecasted Surplus/(Shortfall)





Budget Calendar

MONTH	RESIDENTS	MAYOR & CITY COUNCIL	CITY ADMINISTRATION
November	BFAAC Report—Key Policy Issues Resident advisory committee provides City Council with feedback on key policy issues facing the City in coming fiscal year.	Budget Guidance City Council gives staff guidance on overall expenditure and revenue limits. This guidance drives the decisions of the City Manager.	Five Year Financial Plan City staff presents the Five Year Financial Plan to City Council. The plan is a policy document that provides long-term strategic financial planning and demonstrates the effect of current and/or new policies and services on the City's financial standing. City Manager Targeted Investment Goals The City Manager defines priority investment areas in the City Government based on the City's Strategic Plan, the City Council's Guidance, input from subject matter experts and input from Boards, Committees and Commissions.
December			Proposed Budget Development Departments prepare budget proposals; Focus Area Teams review proposals and make recommendations based on program priority and service level; the City Manager develops a balanced Proposed Budget within the City Council budget guidance.
January			
February	Budget Public Hearing Members of the public comment on the Proposed Budget and offer suggestions to City Council for the Approved Budget through the public hearing or City website.		Proposed Budget Presentation The City Manager presents the Proposed Budget to City Council.
March		Budget Work Sessions City staff meets with City Council to provide background information on the Proposed Budget. City Council requests additional information on specific budget issues from staff through Budget Memos.	Budget Memos OMB and other City staff respond to inquiries from City Council through Budget Memos.
April			
May		Final Budget Adoption City Council makes final decisions and adopts the official City of Alexandria Budget for the upcoming fiscal year.	
June			Approved Budget OMB publishes the Approved Budget document and begins to develop Budget Guidelines for the next fiscal year.

COVID-19 Budget Response

- COVID-19 resulted in significant impact on City's budget and anticipated revenue
 - Anticipated gap in FY 2020 was \$35.8 million
 - Forecasted gap in FY 2021 was \$92.2 million
- Reductions from February Proposed Budget
 - \$753.3 M General Fund expenditures
 - \$46.7 M less than proposed (-5.8%)
 - \$745.3 M General Fund revenue
 - \$54.6 M less than proposed (-6.8%)
 - \$7.9 M planned use of fund balance
 - (1.0% of proposed budget)
 - No tax rate or stormwater utility fee increases



FY 2020 Strategies to Address Budget Gap

- Hiring freeze with few exceptions
- Focus on necessary spending
- Spending reductions and savings
- Defer capital projects
- Use of Fund Balance
- Use of bond interest earnings



FY 2021 Strategies to Address Budget Gap

- Defer 2-cent real estate tax rate increase
- Hiring freeze with few exceptions
- Defer compensation increases
- Defer proposed supplementals
- Reduce ACPS operating transfer
- Defer City and School capital projects
- Defer FY 2021 contingents in proposed budget
- To be identified service reductions
- Use of Fund Balance



Questions?

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